

505 East Huntland Drive Suite 250 Austin, TX 78752

512.329.6080 PHONE 512.329.8750 FAX

www.TRCsolutions.com

April 13, 2012 TRC Solutions Project No. 192355

Mr. Gary Moore U.S. EPA Region 6 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733

Re: Weekly Progress Report
Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas
TXD 086 278 058

Dear Mr. Moore:

On behalf of Lazarus Texas Refinery I, LLC, (Lazarus), TRC Solutions (TRC) submits this Weekly Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (361) 522-1935.

Sincerely, TRC

Alonzo G. Arredondo Senior Geologist

Attachment: Weekly Progress Report cc: Lazarus Texas Refinery I, LLC

WEEKLY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. TASKS NECESSARY TO COMPLETE THE REMOVAL ACTION

- Butane Tank This tank contains less than one gallon of sludge. It will be cleaned, the sludge will be disposed of appropriately, and the tank will be inspected.
- Tank 12 The three inches of oil that remain in this tank will be removed when the collapsed roof is removed.
- Tank 7 The three feet of sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 30 The two feet of water and sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 26 This tank requires the removal of liquids and sludge and will be demolished after cleaning.
- Facility Pipes The pipes that contain material will be carefully handled to allow for the removal of the contents within them.

2. THE SCHEDULE OF ACTIVITIES TO COMPLETION DATE (September 28, 2012)

 Tank 12 – Cut door, remove internal floating roof, oil and conduct API 653 tank inspection;

April 9, 2012

 Tank 30 – Cut door, remove internal floating roof, water, and paraffin;

April 11, 2012

Tank 7 – Cut door, remove internal floating roof, and paraffin;

April 11, 2012

Butane Tank – Completely clean and inspect the vessel;

April 23, 2012

 Tank 26 – Install treatment system, construct irrigation field, treat water, reclaim oil, centrifuge sludge and dispose of residual solids at U.S. Ecology;

April 9, 2012

 Facility Pipes – The material in the facility piping will be removed as the vessels and connecting pipelines are demolished;

3. PROJECT ACTIVITIES COMPLETED THIS REPORTING PERIOD (APRIL 9 - 13, 2012)

Lazarus conducted the following activities this week:

- Lazarus issued contractor Work Orders to begin construction of three irrigation fields on April 9, 2012;
- Lazarus implemented site controls at the Falcon Refinery site by issuing daily work permits to all contractors working at the site;
- Lazarus began hydro-cutting a door into Tank 12 on April 9, 2012;
- Lazarus conducted general housekeeping at the site by having a contractor pick up fiberglass from the Tank 27 area and various fire walls;
- Lazarus loaded the fiberglass material into a roll-off box;
- Lazarus had frac tanks, compressors, pumps and hoses delivered to the site;
- Lazarus began construction of berms for the irrigation fields on April 10, 2012;
- Lazarus completed hydro-cutting the door at Tank 12 on April 10, 2012;
- Lazarus began hydro-cutting a door into Tank 30 on April 10, 2012;
- Lazarus began transferring water from Tank 30 into a frac tank;
- Lazarus erected and completed scaffolding adjacent to Tank 26 on April 10, 2012;
- Lazarus is 75% complete with construction of the irrigation field berms;
- Lazarus is 50% complete with moving of the irrigation fields vegetation;
- Lazarus segregated and loaded clean roof from Tank 12;
- Lazarus is 75% complete with removal of the roof from Tank 12;

4. ACTIVITIES PLANNED FOR NEXT WEEK (APRIL 16 – 20, 2012)

- Lazarus will continue evaluating water samples from Tank 26 and prepare a treatment program for the water, oil and sludge;
- Lazarus will continue transferring liquids from Tank 30 into a frac tank;
- Lazarus will continue evaluating the discharge limits for treated wastewater and is pursuing agreement from U.S. EPA and TCEQ;
- Lazarus will continue and complete cutting and cleaning the internal floating roof in Tank
 12;

- Lazarus will start removal of sludge in tank 12;
- Lazarus will continue mowing vegetation and the construction of the berms for the irrigation fields;

5. ACTIVITIES PLANNED FOR WEEK FOLLOWING (APRIL 23 – 27, 2012)

- Lazarus will start removal of roof walkway from Tank 30 with a crane;
- Lazarus will cut top of Tank 7 / Remove cone roof and floating roof with a crane;

6. ISSUES ENCOUNTERED

 Tank 26 water does not respond to a pH change; Tank 26 water is a tight oil/water emulsion.